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CHANGES IN THE RELATIVE ECONOMIC STRENGTHS OF THE
SOVIET ORBIT AND THE WEST BETWEEN 1951 and 1953

Summary:

Changes in basic economic strength--in labor force, steel capacity, petroleum production, output of power, and the like--can be brought about only rather slowly. The fundamental factors underlying the relative economic strengths of the Soviet orbit and the West are accordingly unlikely to change much over the next two years. Whereas the West has much greater resources, the Western economies are for various reasons less able to bring the bulk of these resources to bear on maximizing military potential. Accordingly, the Soviet Union has now the economic capability of launching major military operations on the Eurasian continent, and carrying on those operations for a period of some months in the face of Western opposition. It will probably continue to have that capability over the period under review. Soviet production of key items will continue to increase in line with past trends, but if Western plans are carried out, increases in Western production should at least maintain the relative position in basic commodities and services.

Deficiencies, critical but not crippling, exist at present in a small number of items imported by the Soviets like rubber, certain machine tools, some non-ferrous metals and alloys, and various types of electrical equipment. Substantial stockpiles of many of these items have been established. If we are successful in denying further imports to the Soviet bloc, and if potential Western military resistance increases Soviet combat requirements in these items Soviet capabilities to fight a long war may be reduced by 1953. On the other hand, if we do not tighten our controls they can undoubtedly increase their reserves still further.

Soviet petroleum production is now and probably will be inadequate to sustain protracted and intensive combat over a long period in the face of allied bombing of petroleum facilities. Stocks, however, are sufficient to support a short campaign. By 1953 stocks will be larger, capacity for production, especially of the higher grades of aviation gasoline, will be greater, and a further shift to easily refined jet fuels will have reduced Soviet dependence on the difficult and costly refining of the high octane products.

The adequacy of Soviet land transport is likewise bound up with the stockpiling program. Rail capacities are being slowly increased. If, as seems likely, well distributed stockpiles, especially in the European satellites and the Soviet Far East, are further expanded inland transport will not be a decisive weakness in 1953.

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The Soviets do not now have under their present control sufficient merchant shipping to follow a bombing attack on North America with an overseas invasion. They will not have this capability in 1953.

The vulnerability of the Soviet economy to allied attack will probably be slightly reduced by 1953 because of an increased dispersion of facilities and a more complete system of reserve stocks. Economic factors, however, will be much less important in reducing vulnerability than more direct measures of military protection such as construction of radar nets and availability of interceptors.

In short, little change is likely by 1953 in relative economic capabilities for waging a long drawn-out war, while relative capabilities for quick, decisive action will depend much more on strictly military progress over the next two years than on economic growth.

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